

## **SUBCOMMITTEE NO. 4**

## **Agenda**

**Joseph Dunn, Chair**  
**Dick Ackerman**  
**Denise Moreno Ducheny**



### **AGENDA II**

**Wednesday, May 7, 2003**

**Upon Adjournment of Banking, Commerce, and International Trade  
Committee  
Room 3191**

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## 2660 Department of Transportation

The Department of Transportation (Caltrans) constructs, operates and maintains a comprehensive state system of 15,200 miles of highways and freeways and provides intercity passenger rail services under contract with Amtrak. The state highway system comprises approximately nine percent of the total roadway mileage in California but handles approximately 54 percent of the miles traveled. The department also has responsibilities for congestion relief, transportation technology, environmental and worker protection, airport safety, and land use and noise standards. Caltrans' budget is divided into six primary programs: Aeronautics, Highway Transportation, Mass Transportation, Transportation Planning, Administration, and the Equipment Service Center.

### Spring Finance Letters

The Administration proposes the following changes to the department's budget:

1. **Budget Realignment and Revision Detail (Issue 101)**—The Governor's Budget includes the following operating expense and equipment (OE&E) reductions for 2002-03 and 2003-04:
  - A 2003-04 allocated reduction of \$80,000,000 (\$70,000,000 OE&E/ \$10,000,000 overtime).
  - A 2003-04 unallocated OE&E reduction of \$89,845,000.
  - A 2002-03 allocated OE&E reduction of \$40,000,000.

This request amends Item 2660-001-0042, resulting in a net increase in expenditure authority of \$10,000,000 by:

- Reducing the 2003-04 **allocated** reduction by \$10,000,000 through the transfer of \$10,000,000 from the Equipment Services Fund to the State Highway Account and allocating those expenditures. Therefore, it is requested that the transfer in Item 2660-031-0608 be increased by \$10,000,000.
- Realigning the remaining \$70,000,000 in 2003-04 **allocated** reductions by program and budget line item.
- Allocating \$71,845,000 of the 2003-04 **unallocated** \$89,845,000 reduction in Item 2660-001-0042. The allocation of the remaining \$18,000,000 will be addressed in the May Revision in conjunction with the Capital Outlay Support workload.

In addition to this Finance Letter, a separate notification is being transmitted to the Legislature under the provisions of Control Sections 8.50 and 26.00, and pursuant to Provision 3a of Item 2660-001-0042, Budget Act of 2002. These changes to the current year budget would shift OE&E savings to personnel services across programs to meet current year salary and wage costs and align actual workload with federal fund sharing. The net effects of those actions are as follows:

- Decrease Item 2660-001-0042 by \$38,378,839.
- Increase Item 2660-001-0890 by \$38,378,839.
- Reallocate \$38,378,839 of the 2002-03 reductions by program.

**Staff Recommendation:** This proposal deals with issues associated with the Capital Outlay Support (COS) budget. The subcommittee will not have the official COS budget

proposal until the May revision. Staff recommends the subcommittee withhold action on the finance letter until the May revise hearing on May 21.

**Action:**

2. **Unallocated Position Reduction Due to Attrition (Issue 102)**—The Governor's Budget includes an unallocated position reduction from attrition of 471 positions. This request allocates the position reduction by position title and by functional area in Item 2660-001-0042.

**Staff Recommendation:** For purposes of dealing with the department's total staffing proposal at the May revision, staff recommends the subcommittee withhold approval of the finance letter.

**Action:**

3. **Toll Operations "FasTrak" (Issue 104)**—Amend Item 2660-001-0042 to redirect surplus reimbursement authority of \$1,350,000 (\$700,000 from the Maintenance Program and \$650,000 from the New Technology Program) to the Traffic Operations Program to provide expenditure authority for reimbursements to be received from the Bay Area Toll Authority. Reimbursements will be used to procure 50,000 transponders each year in 2003-04 and 2004-05 for the FasTrak electronic toll collection program. The additional transponders will allow the program to continue accepting new FasTrak applications and replace expired transponders for existing customers.

**Staff Recommendation:** No issues have been raised with this proposal. Staff recommends the subcommittee approve the finance letter.

**Action:**

4. **Transportation Finance Bank (Issue 105)**—Amend Item 2660-496 to revert \$389,000 in local assistance State Highway Account funding originally appropriated by Item 2660-101-0042, Budget Act of 2000, and reappropriated by Item 2660-490, Budget Act of 2002. In addition, it is requested that Item 2660-115-0042 be added to transfer these funds to the Local Transportation Loan Account. These funds will be used to provide the matching funds requirement for \$3,000,000 in federal funds appropriated by Item 2660-115-0890, Budget Act of 2002 to implement the Transportation Finance Bank (TFB) Revolving Loan Program. The TFB was created to provide flexible, short-term financing to public entities and public/private partnerships for the delivery of transportation projects in California.

**Staff Recommendation:** No issues have been raised with this proposal. Staff recommends the subcommittee approve the finance letter.

**Action:**

5. **Underground Storage Tank Program (Issue 107)**—Amend Item 2660-001-0042 to redirect \$4,687,000 from the Planning Program to the Capital Outlay Support (COS) Program to reflect the movement of the Underground Storage Tank Program (USTP) from the Planning Program to the COS Program. The USTP oversees the removal, replacement, and repair of underground storage tanks on current and former Caltrans properties in order to comply with State and federal environmental mandates. The USTP program will not be considered a component of the annual COS zero-based budget review.

**Staff Recommendation:** No issues have been raised with this proposal. Staff recommends the subcommittee approve the finance letter.

**Action:**

6. **Transportation Permit Double-Checkers (Issue 108)**—Increase Item 2660-001-0042 by \$448,000 to extend 8.0 limited-term positions/7.7 personnel years in the Operations Program to continue manual double-checking of all permits for loads over 14 feet high until the Transportation Permits Management System (TPMS) is implemented.

Under current procedures, the Single Trip Application and Routing System (STARS) database contains route safety information and provides the first review of a proposed route; a Caltrans employee that verifies the route performs the second check. STARS usage has increased from 10,000 permits two years ago to approximately 80,000 in the current year reducing the double-checking workload by approximately 50 percent or 7 positions. The double-checking workload is temporary in nature, because the TPMS will eliminate the need for this workload. This request would fund the identified workload for double-checking all permits for loads over 14 feet high for 18 months – through the expected implementation of TPMS.

**Staff Recommendation:** No issues have been raised with this proposal. Staff recommends the subcommittee approve the finance letter.

**Action:**

7. **Local Bridge Scour and Inspection Program (Issue 109)**—Convert 8.5 positions/8.2 Personnel Years (PYs) from permanent to three-year limited term to conduct bridge hydraulic scour erosion (“scour”) evaluation workload on an identified 1,850 bridges with known foundations. The Budget Act of 2002 authorized the continued use of the 8.2 PYs for 2002-03 to gather and evaluate bridge blueprints, called “as-built” plans and to document related workload. The department has now identified and documented workload that supports continuation of the 8.2 PYs for three years. Item 2660-001-0042 contains the detail for this request.

**Staff Recommendation:** No issues have been raised with this proposal. Staff recommends the subcommittee approve the finance letter.

**Action:**

8. **Capital Outlay, California Department of Transportation.** Reappropriation of construction funding (\$72,599,000 from the Public Building Construction Fund) for the San Diego Office Building Replacement project. The department argues that this proposal is necessary due to delays at the working drawing phase related to completing street vacation agreements and the approval of public sewer plans by the City of San Diego. As a result of these delays, the working drawings may not be completed in time to allow the project to proceed to bid by June 2003.

**Staff Recommendation:** No issues have been raised with this proposal. Staff recommends the subcommittee approve the finance letter.

**Action:**

## 2740 Department of Motor Vehicles

The Department of Motor Vehicles (DMV) regulates the issuance and retention of drivers' licenses and provides various revenue collection services. The DMV also licenses and regulates occupations and businesses related to the instruction of drivers, as well as the manufacture, transport, sale and disposal of vehicles. Over 50 percent of the proposed budget is for the Vessel/Vehicle Identification and Compliance Program, which establishes identification and ownership of vehicles of California residents and assures compliance with various laws and programs. DMV also issues personal identification cards, administers driver safety and control programs, and provides consumer protection services.

### Spring Finance Letters

The Administration proposes the following change to the department's budget:

1. **Repair Fullerton Field Office (Issue # 010)** — It is requested that the following items be increased by a total of \$1,569,000 for asbestos abatement and related emergency repairs in the Fullerton Office of the DMV.

Increase Item 2740-001-0042 by \$97,000  
Increase Item 2740-001-0044 by \$834,000  
Increase Item 2740-001-0064 by \$638,000

Leaks have resulted in the deterioration of asbestos ceiling plaster and tiles that, on several occasions, has fallen onto workstations and personnel. The repairs proposed would abate the asbestos and renovate interior areas. The request also includes the cost to relocate the office for six months during construction and to replace modular furniture upon reoccupation of the building.

**Staff Recommendation:** No issues have been raised with this proposal. Staff recommends the subcommittee approve the finance letter.

**Action:**